REMARKS

Claims 50-86 are pending in this application. Claim 50 is the sole independent claim, and has been amended to better present the invention to the Examiner. Claim 1-49 have been canceled to expedite allowance of pending claims 50-86.

This Response serves to reopen prosecution of this application. The suspension of this application and withdrawal of the finality of the October 3, 2001 Office action was recorded in an Office communication mailed November 5, 2002.

I. Interview

Applicant wishes to express his thanks to Examiner Bashore and Examiner Millin for meeting with Applicant and his representatives to discuss the present application. As understood from the December 18, 2002 interview discussion and clarified by this amendment, claim 50 recites the transacting of a plurality of *distinct* market tradable assets or liabilities to be owned by a user in the user's portfolio. At the very least, this is supported in the specification by FIGS. 11-12 (and their accompanying description on pages 38-40), which show multiple trades resulting from multiple securities (A, B and C) in each user's portfolio. The language "plurality of distinct market tradable assets or liabilities" is intended to require more than one asset or liability per portfolio, not merely a plurality of shares of a single asset or liability.

II. Rule 132 Declaration

Applicant submits with this Response a "Declaration by Steven M.H. Wallman under 37 C.F.R. § 1.132" to comment on the Alaska Air Group article (attached to the declaration as Exhibit A) with respect to currently pending independent claim 50.

III. Terminal Disclaimer

Applicant submits with this Response a "Terminal Disclaimer To Obviate a Double Patenting Rejection Over a Prior Patent" in response to an anticipated double patenting rejection based on a phone conversation with Examiner Bashore on April 5, 2004.

IV. Objection To The Drawings

The Office has objected to the drawings under 37 C.F.R. § 1.83(a) as failing to show every feature of the invention specified in claim 33. Applicant respectfully traverses this

objection because every feature of the claimed invention is clearly embodied by the existing figures.

However, for reasons unrelated to this rejection, Applicant has canceled claim 33. Thus, since claim 33 is no longer pending in the application, Applicant respectfully requests that the objection to the drawings be withdrawn.

V. The Claims Are Not Anticipated by Ray

The Office rejected pending independent claim 50 under 35 U.S.C. § 102(e) as being anticipated by Ray (U.S. Patent No. 6,018,722). Applicant respectfully traverses this rejection, and submits that each pending claim is patentably distinguishable over Ray.

In order for a claim to be anticipated under 35 U.S.C. § 102, a single prior art reference must disclose, either expressly or inherently, each and every element as set forth in the claim. M.P.E.P. § 2131. Anticipation does not occur in the instant application, because Ray fails to disclose each and every element as set forth in the pending claims.

Independent claim 50 recites receiving "an order to trade the specified user customizable *portfolio as a whole*" (emphasis added). Ray neither teaches nor discloses trading a *portfolio* of assets or liabilities, and this limitation is not acknowledged by the Office in the October 3, 2001 Office action.

Ray discloses a system that automatically prescribes, monitors, and updates a list of securities that, after each security is purchased individually by each user, together comprise a portfolio (Ray, col. 2: lines 48-51, col. 6: lines 13-18, col. 7: lines 13-18, col. 7: lines 37-41). Ray merely recommends a list of securities for subsequent – but individual – purchase by investors, whereas the present invention allows investors to transact in and through entire portfolios. Ray provides investment advice on existing financial products – stocks, mutual funds, etc., whereas the present invention creates a new financial product – a portfolio of directly owned assets or liabilities that can be created, traded and managed as a single unit.

Accordingly, for at least these reasons, Ray does not anticipate independent claim 50 (and its respective dependent claims) under 35 U.S.C. § 102(e). Applicant respectfully requests reconsideration and withdrawal of this rejection.

VI. The Claims Are Non-Obvious Over Ray In Any Combination

The Office rejected pending independent claim 50 under 35 U.S.C. § 103(a) as being unpatentable over Jones (U.S. Patent No. 6,021,397) and Maggioncalda (U.S. Patent No. 5,918,217) in view of Ray. Applicant respectfully traverses this rejection, and submits that each pending claim is patentably distinguishable over the cited references.

No proper combination of the cited references establishes a *prima facie* case of obviousness in the present application. With respect to an obviousness rejection under 35 U.S.C. § 103(a), the Office bears the initial burden of establishing a *prima facie* case of obviousness. M.P.E.P. §2142. To establish a *prima facie* case of obviousness, the Office must show, *inter alia*, that there is some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify or combine the references and that, when so modified or combined, the prior art teaches or suggests all of the claim limitations. M.P.E.P. §2143.

Claim 50 recites receiving "an order to trade the specified user customizable *portfolio as a whole*" (emphasis added). The Office suggests that it would have been obvious to provide a communication process, as taught by Ray, on the device of Jones/Maggioncalda to provide a means to implement a user-selected portfolio. Applicant respectfully traverses the Office's characterization of Ray and Jones/Maggioncalda and the motivation for their combination, because neither reference teaches nor discloses trading a *portfolio* of assets or liabilities. (See discussion on Ray in Section V of this response.)

Jones/Maggioncalda merely relate to the front-end portfolio creation portion of an investment management system, not the back-end trade execution and processing portion of such a system.

And nothing in Ray or the cited references suggests or implies that Ray could be extended to trade a portfolio of assets or liabilities, as embodied by the present invention. Ray requires market timing of orders (Ray, col. 2: lines 42-47), which means that trades for individual assets or liabilities are submitted when the timing is optimal for the individual asset or liability. In contrast, an order to trade a portfolio of assets or liabilities involves trades for assets or liabilities in the portfolio as a single unit. Since it is not viable to time the market for these

trades as a unit, Ray thus teaches away from trading portfolios. Hence, it would not have been obvious to one of ordinary skill in the art to extend Ray to trade a portfolio of assets or liabilities.

Applicant respectfully submits that the Office does not establish a *prima facie* case of obviousness, because the suggestions or motivations provided by the Office do not cure the deficiencies of Jones/Maggioncalda or Ray as explained above.

Accordingly, for at least these reasons, independent claim 50 (and its respective dependent claims) are non-obvious over Ray in any combination with the cited references (e.g., Jones/Maggioncalda) or with knowledge of one of ordinary skill in the art at the time of the invention. Applicant respectfully requests reconsideration and withdrawal of this rejection.

VII. The Claims Are Non-Obvious Over Harris In Any Combination

The Office rejected pending independent claim 50 under 35 U.S.C. § 103(a) as being unpatentable over Harris in view of Jones/Maggioncalda. Applicant respectfully traverses this rejection, and submits that each pending claim is patentably distinguishable over the cited references.

No proper combination of the cited references establishes a *prima facie* case of obviousness in the present application. As stated above, to establish a *prima facie* case of obviousness, the Office must show, *inter alia*, that there is some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify or combine the references and that, when so modified or combined, the prior art teaches or suggests all of the claim limitations. M.P.E.P. §2143.

Independent claim 50 recites specifying "a user customizable portfolio of a plurality of distinct *market tradable* assets or liabilities" and determining assets or liabilities "to be transacted in a *market* for each of the distinct assets or liabilities." (Emphasis added.) The Office suggests that Harris discloses all of the elements of the claim at issue, absent the teachings cited for Jones/Maggioncalda (namely, asset allocation and creating a portfolio according to user preferences). Applicant respectfully traverses the Office's characterization of Harris, because Harris neither teaches nor discloses trading *market tradable* assets or liabilities in a *market* for each of the assets or liabilities, much less trading a *portfolio* of market tradable assets or liabilities.

Harris discloses a 401(k) mutual fund share purchase and redemption system that operates after trading is closed based on end of day pricing. Harris is not an asset or liability trading system that trades assets or liabilities in the market, as embodied by the present invention, but rather a system in which users' purchases and redemptions (which Harris inaccurately refers to as trades) are forwarded to the issuer of the mutual fund. (Harris, col. 8: line 5 et seq.) For simplicity of accounting, these purchases and redemptions are aggregated within the same 401(k) plan. No market exists for trading in the securities in Harris, because they are only available for purchase from the issuer and can only be redeemed by the issuer. Thus, Harris fails to disclose the above-mentioned claim elements suggested by the Office.

Moreover, nothing in Harris or the cited references suggests or implies that Harris could be extended to trading market tradable assets or liabilities, as embodied by the present invention. Harris is a closed system that operates after market hours when its few available securities can be priced, unlike the present invention which relates to a market trading system in which counter parties may or may not exist, and in which pricing fluctuates constantly. In addition, the regulatory aspects of 401(k) systems and market trading systems are entirely distinct; different federal agencies have different responsibilities in connection with these two types of systems due to their contrasting goals. Systems for processing 401(k) investments are typically designed to protect the participants and to perform the complex fiduciary and accounting responsibilities of operators of such 401(k) systems. In contrast, market trading systems are typically designed to enable simple and efficient flow of trading orders to an open market in each of the assets or liabilities, so that the best price available for the investor is obtained at a lowest transactional cost. Hence, it would not have been obvious to one of ordinary skill in the art to extend Harris to trading market tradable assets or liabilities.

As stated above, Jones/Maggioncalda merely relate to the front-end portfolio creation portion of an investment management system; neither reference relates to the back-end trade execution and processing portion of such a system.

Applicant respectfully submits that the Office does not establish a *prima facie* case of obviousness, because the suggestions or motivations provided by the Office do not cure the deficiencies of Harris.

Accordingly, for at least these reasons, independent claim 50 (and its respective dependent claims) are non-obvious over Harris in any combination with the cited references or with knowledge of one of ordinary skill in the art at the time of the invention. Applicant respectfully requests reconsideration and withdrawal of this rejection.

CONCLUSION

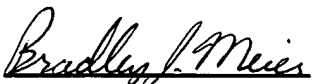
It is respectfully submitted that, in view of the foregoing amendments, remarks and rule 132 declaration, the application is in clear condition for allowance. A prompt issuance of a Notice of Allowance is earnestly solicited.

The Office may charge any fees required under 37 C.F.R. § 1.16 or § 1.17 or credit any overpayments to Deposit Account No. 11-0600.

The Examiner is invited to contact the undersigned at 202-220-4200 to discuss any matter regarding this application.

Respectfully submitted,

Dated: April 5, 2004



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